

Charity Registration No. 1072706

Company Registration No. 03598556 (England and Wales)

COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs Alison Ball Mrs Alison Gilbody Ms Victoria Merton Ms Karen Hands Mr William Baldwin-Cantello Mrs Christine Burt Prof David Shaw Prof Alan Simson Mr Benjamin Williams Ms Debbie Beaven	(Appointed 20 January 2022)
Secretary	Mr Sarfraz Ali	
Charity number	1072706	
Company number	03598556	
Registered office	6 Kansas Avenue Salford Greater Manchester M50 2GL	
Auditor	BWM Suite 5.1 12 Tithebarn Street Liverpool L2 2DT	
Bankers	Triodos Bank Deanery Road Bristol BS1 5AS The Co-operative Bank Olympic House Delf House Skelmersdale WN8 6WT Flagstone Investment Management 1st Floor Clareville House 26-27 Oxenden Street London SW1Y 4EL	

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COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

The trustees of Community Forest Trust, who are also directors of the Company, present their annual report and accounts for the year ended 31st March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Chair's Report

I am pleased to act as the Chair and can report as follows in the usual format of reporting the activity and achievements under each objective.

Objectives and activities

OBJECTIVE - Support Community Forests and local forestry initiatives where Community Forest Trust (CFT) can add value through facilitating best practice

Creating and Managing Land: Planting and managing areas of woodland is a major part of the Forests' work. During the last two decades, we have created many new woodlands in partnership with local people for them to use and enjoy.

Defra Trees for Learning: The Mersey Forest team has project managed a £350K four-year national programme of tree planting projects with primary schools across the Community Forests. In total over 164,000 trees were planted across the country. In our fourth year of planting within The Mersey Forest, 5,577 trees were planted with 38 schools,

Biodiversity: The ongoing Urmston Meadows Water Vole Project aims to improve biodiversity. This forms part of the commitment to work with Trafford Council to improve their Trafford Countryside sites.

Natural Course: Community Forest Trust has continued work on a three-year LIFE+ project: across The Mersey Forest and City of Trees areas. The project focuses on the use of Urban Catchment Forestry to deliver integrated water management solutions and multiple ecosystem services in urban areas. A series of case studies for Crompton Moor, Smithills, Rochdale and New Mills are included on the Natural Course website.

Six leaky dams were installed in the Old Brook water course on Crompton Moor to slow the flow of water to help reduce flood risk down catchment. BBC's Countryfile programme covered the installation of one of the leaky dams and interviewed team members from City of Trees and partner organisations.

City of Trees has delivered a SuDS (Sustainable Drainage System) project on Dales Brow in Swinton, Salford that is taking surface water runoff from a road and diverting it into a newly formed swale on an adjacent green space. This project is demonstrating how SuDS can be used to reduce the pressure on a combined sewer to help reduce the potential for spills into a nearby water course. Students from the University of Salford will be monitoring water into and out of the swale along with water quality. The project has also created a fantastic new wetland habitat which is being monitored by Salford Council to identify any new species that are coming into the site.

Green Streets: A street tree planting project was delivered on Hilton Street in Manchester City Centre where recycled soils from a local street cleaning company were trialed. The recycled soil specification was produced by Dr David Hackett the Chair of the British Standards Institution AW02 Soils. The trees have responded well in their first growing season.

Planting and species location plans were agreed with the University of Manchester for the third and final year of a semi mature tree planting project. Due to COVID restrictions and lock down, the physical planting was postponed until June 21.

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FOR THE YEAR ENDED 31 MARCH 2022**

Urban Tree Challenge Fund: £2.2M from The Urban Tree Challenge Fund was secured to plant large urban trees across Merseyside and North Cheshire within The Mersey Forest over a 2 year period. Despite a late approval and challenges arising from the Covid-19 crisis, partners managed to deliver over 1,100 standard trees across St. Helens, Knowsley, Liverpool, and Sefton in time for the Year 1 claim. A further 4,400 trees remain to be planted next year. In year 2 of the Urban Tree Challenge 890 standard trees were planted in Greater Manchester

Urban GreenUP: This five-year €10 million Horizon 2020 European funded project started in June 2017. The Mersey Forest team is working with colleagues at Liverpool City Council and the University of Liverpool to deliver a £3.4 million programme of interventions in the city. During 2019/20 a number of 'Nature Based Solutions' have been installed across the city. These have included 150 large street trees along the Strand with sustainable urban drainage systems, a pollinator roof at the Royal Court Theatre and a number of appearances of the PopUp Forest. The year-long baseline environmental monitoring has concluded, and results are being analysed. The environmental monitoring will continue until the end of the programme in 2022.

IGNITION

City of Trees is one of 12 partners in the IGNITION project. The aim of IGNITION is to identify and develop new funding mechanisms, with a particular focus on private sector involvement, to support SuDS and other Green Infrastructure. Another big focus of IGNITION is to engage with communities to highlight the importance of GI especially from a climate change resilience perspective and to spread the message further by encouraging citizens to cascade this information to family, friends and work colleagues. IGNITION will come to an end in May 2022.

Trafford Countryside Management Partnership: involves a wide range of organisations in resourcing, managing, and using Trafford's Countryside, as well as supporting volunteer days on the 250 ha of land the partnership is looking after. City of Trees secured additional funding for site improvements, including a Veolia Landfill Tax funded project at Wellacre. This will involve path, signage and waymarking improvements as well as habitat enhancement works such as woodland wildflower planting.

Community Forest and Woodland Outreach: 'Forest Schools in the Mersey Forest' is a project funded by the Department of Education and The Department for Environment, Food and Rural Affairs (Defra) via Natural England. This involves working with 28 schools across the forest to improve school grounds, inspire and empower teachers to deliver a supported programme of Forest School Activities. New Forest School sites have been created and the delivery of Forest School sessions commenced in early February 2020 until Covid-19 placed the programme on hold at the end of March 2020.

Green Infrastructure Audits: The Mersey Forest Team has undertaken green infrastructure and green space audits for a number of local authorities in the North West.

The GM Tree and Woodland Strategy: All our Trees, continues to generate interest from a wide spectrum of public, private, third sector and academic partners. In particular, the mapping tool hosted on Mapping GM, has proven to be of real value in helping to identify where future resources should be focused to maximize the range of ecosystem service benefits that trees can provide to address particular needs.

Natural Health Service: Over the last seven years the Mersey Forest team has been developing the Natural Health Service. Close working with both Liverpool universities continues to provide independent and robust assessment of the impacts of the work, enabling improvements and adding to the evidence base to demonstrate efficacy of this approach. Nature4Health, a Lottery funded programme commenced in June 2019 and lasts for two years with programmes of activity taking place in the Baltic Triangle in Liverpool, Calderstones Park and Toxteth. In Cheshire West, the programme has continued with over 3,000 participants being involved to date, using nature to reduce health inequalities. In November 2019, the Natural Health Service won a national award.

COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Citizen Forester: During the year 2020-21, most of our Citizen Forester events have had to be put on hold whilst the country was in national lockdown. We are looking to restart our full Citizen Forester programme as soon as government guidelines allow. We have been able to run a limited number of sessions for groups such as those working with vulnerable adults and schools in accordance with the guidelines. Dementia Friendly walks continued at The Smithills Estate (9 walks in total) and funding was secured from GMCVO that enabled activities and walks to recommence at Whitworth Park (4 events in total). An additional walk was held in partnership with Salford NHS CCG. A small number of Citizen Forester sessions were also continued with the group established last year in Wythenshawe with six events taking place at Sandilands Wood. Successful funding bids to continue Citizen Forester work included grants from Veolia, Green Recovery Challenge Fund and GMCVO.

Walking with the Wounded

City of Trees developed a new partnership with Walking with the Wounded, a charity that helps injured former British Armed Forces servicemen and women in their career transition from the military to civilian life. Opportunities were identified for engaging 8 veterans in paid work, helping them to develop new urban forestry related skills and regaining the confidence to get back into employment.

Heritage & Landscape

Woodland Futures: City of Trees are working on a Heritage Fund project to bring a number of woods in Wythenshawe, south Manchester back into management. Due to Covid and lockdowns the project completion date for the project has been shifted forward and the public engagement sessions scaled down - by agreement with HF. Many of the public/volunteer sessions that were planned have had to be put on hold. Our work with HMP Styal has also had to be postponed as the prison has remained closed to outside visitors. Provision is being made to provide them with resources to run similar sessions using their own staff, if the closure continues. Some of the other project sessions have been run as virtual events but those in the woods have had to be postponed during the lockdowns. Staff have been able to get on site to help maintain some of the tree planting already done. To date, all of the rhododendron control has been completed which has made a big difference to Sandilands Wood. Footpath and entrance improvements have also made a difference at Ash Wood and Sandilands Wood. In the absence of real guided walks, virtual or self guided walks have been created with the Wythenshawe History Group.

Community orchards: City of Trees continues to support the development of community orchard networks across Greater Manchester.

OBJECTIVE - Be a national voice for community forestry and actively promote Community Forests and green infrastructure

England's Community Forests: The Community Forest Trust continued to support the ECF network of Community Forests, helping to grow the sector by working with new partners.

Trees for Climate: Since the announcement in the Spring 2020 Budget, Community Forest Trust has worked with CWAC and the community forests across England to prepare a business case for capital and revenue support to the sector to create 6000ha of new woodland by March 2025. The year 1 revenue request is £2.5m and the wider capital programme is expected to be circa £104m. In addition to supporting the existing 10 community forests, there is funding support to create three new community forests as well as the potential for an expanded Trees for Learning Programme and land acquisition funding.

In Year 1 of the program City of Trees created 120ha of new woodland planting over 104,000 trees. Planting sites were spread across all ten districts of Greater Manchester. Although CoT were unable to engage the public in planting these sites there are plans to involve local community's in the maintenance of these trees and over 30 planting events were held with schools inside their own school grounds in accordance with Covid-19 guidelines.

**COMMUNITY FOREST TRUST
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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
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Northern Forest - one of the flagship 25 Year programmes: Community Forest Trust, in partnership with the Woodland Trust and the Northern Forest's community forests, is playing a key role in the development of the Northern Forest initiative. Community Forest Trust is the accountable body for the four community forest delivery roles and for a major portion of the government funding to facilitate planting and landowner engagement. Planting within The Mersey Forest during the 2019/20 season has delivered a wide and varied programme focusing on parks, farms and new community woodland sites, providing opportunities for volunteering and schools planting events. Over 25,000 trees were planted, exceeding the target, and a healthy pipeline of schemes will carry this programme strongly into the coming years. City of Trees delivered Northern Forest planting projects on over 50 sites during the 2021/2022 planting season, involving a range of community groups and schools across all 10 districts of Greater Manchester. New areas of woodland and community orchards were planted to achieve the target and over 25,000 trees were planted. Additional funding from DEFRA enabled City of Trees to develop 33 standard tree planting projects, comprising 500 standards, that will compliment and link the newly created woodlands.

Government Policy: Community Forest Trust continues to liaise with senior government officials regarding the Government's forestry policy.

The North West Forest Forum: Continues to bring together parties interested in developing North West England's forest sector.

The Carbon Landscape Partnership: City of Trees continues to deliver as part of this Heritage Fund 5- year funded multi-agency landscape partnership across Salford, Wigan and Warrington. Delivery includes a school package focused on the sustainability of local ex industrial landscapes and workshops with disabled young people to visit sites, exploring them through photography and creative writing.

OBJECTIVE - Seek sustainable funding arrangements through seizing opportunities to develop new partnerships as well as consolidating existing ones and be responsive to new opportunities

Funding: The forestry initiatives have become involved where appropriate in their respective Catchment Partnerships and Local Nature Partnerships. The Mersey Forest team provides the secretariat support for both Local Nature Partnerships within the Mersey Forest. Michelle Whalley project managed the Year of the Environment for Nature Connect in Liverpool City Region, and the Environment Summit held in November 2019.

City of Trees corporate partners: Unrestricted income has continued to grow. This includes income from a corporate membership scheme, the 100 Trees Club, as well commercial participator agreement with Stonewater Housing.

The National Trust: A new partnership has been developed with the National Trust to assist them with various tree planting, active travel, and tree planting to improve biodiversity across their estates in Greater Manchester. Planting went ahead at Quarry Bank Mill in the 20/21 planting season and schemes at other sites such as Lyme Park are in development for 21/22.

OBJECTIVE - Take a leading role in advancing debate, policy and practice in community forestry and green infrastructure in England

Supported by Trees for Climate, CFT and CWAC have commissioned Forest Research to prepare "The Community Forest Trust Handbook for Woodland Creation".

In Summary

Community Forest Trust continues to seek opportunities to support community forestry, and advocate for policy and resources to support the sector across England. This report provides an excellent overview of the work undertaken by the Trust, its staff and partners, to whom I and the Board are enormously grateful for all their efforts throughout the year.



**Alison Ball
Chair**

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Mission, Vision and Values

Mission

Our mission is to champion and support the work of community forestry organisations across England and communicate the wide range of benefits that trees and woods deliver.

Vision

Our vision is for a strong, resilient network of community forestry organisations across England that enhance the environment for both people and wildlife .

Values

- We are passionate about the power of trees to transform urban environments
- We aim to be innovative, share knowledge and collaborate to achieve best practice in the field of community forestry.
- We see community forestry as a way to achieve widespread, environmental, social and economic benefits
- We act as an advocate for community forests and aim to listen, be responsive and work in close partnership

During the year to March 2022 Community Forest Trust directly supported the delivery of The Mersey Forest, City of Trees (previously Red Rose Forest), White Rose Forest and HEYwoods. Community Forest Trust also promoted and advocated the benefits and opportunities for delivery on behalf of the sector to strengthen the case for future funding and resources aligned to the Government's 25-year Environment Plan.

Statement of Public Benefit

In meeting these objects, the Charity's public benefit aims to maintain, complete and apply for funding that supports projects as detailed above. The Charity has met its objectives by sticking to the guidelines of the grants applied for.

In setting out policy and planning these activities the trustees have given consideration to the Charity Commission's general guidance on public benefit.

The Charities Act identifies thirteen charitable purposes as being for the public benefit. Community Forest Trust meets the public benefit principles by focusing on three of those charitable purposes:

- the advancement of education;
- the advancement of health or the saving of lives; and
- the advancement of environmental protection or improvement.

Achievements and performance

Financial review

The current year of activity in the core funds stand at **£422,771** group (2021: £226,120) and **£399,038** charity (2021: £198,400), at the year end.

Investment Policies

The Charity has a policy of keeping any surplus funds in short term deposits, which can be accessed readily. This also spreads the banking risk as the guaranteed amount under FSCS remains at £85K per bank. An on-line cash investment platform assists the monitoring of these accounts with a view to achieving best interest rates for amounts held on deposit whilst at the same time ensuring cash flow requirements are met. Due to wider economic circumstances deposit rates continue to be depressed during the year to March 2022. The invested funds held on deposit achieved an average of 1% (2021: 1%)

COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Reserves Policy and Going Concern

Reserves are considered to be that part of the Trust's funds which are freely available for its general purpose after it has met its commitments and covered its other planned expenditure. These unrestricted funds are needed to bridge the gap between the spending and receiving of income and to cover administrative, fundraising and support costs without which the Trust could not function. A designated fund is maintained as a reserve policy in the event of the organisation closing down. This fund would allow a professional and orderly close down if that contingency was ever to be realised. The reserve fund remains at **£169,500** (2021: £169,500).

The level of unrestricted funds is monitored and reviewed by the Trustees during the year. The Trustees consider a financial projection prior to reviewing financial reserve levels for the following year and the preparation and approval of an annual budget. Financial forecasts are updated for each Board meeting, held quarterly. In the year to 31 March 2022 the Trust continued to address the need to develop reserves and its available funds were retained in its current bank account, with a view to investing surplus cash in short term deposit accounts to maximise the return on income.

Since the year end there has been no unexpected expenditure and the viability of the Charity remains financially sound.

Plans for Future Periods

Our future activities are likely to include:

- Support to England's Community Forests and the Trees for Climate Programme
- Continued direct support to City of Trees, Mersey Forest, White Rose Forest and HEYwoods
- Development of the Northern Forest in partnership with the Woodland Trust
- Continued work with the Local Nature Partnerships and the Catchment Partnerships
- Further development and delivery of urban catchment forestry
- Development of the Natural Health Service
- Continuation of work to secure sustainable funding streams
- Further partnership working with the forestry initiatives and with new partners
- Improving the quality of CFT's online presence and communications
- The continued advocacy for urban and community forestry at a national level

Mersey forest foundation received a grant of £1.94 million in January 2022, which is to be used over the next 32 years. This is for biodiversity and infrastructure contribution. Priority is to be given to planting within the Bold Forest Park Area and for Bold Forest Park Infrastructure Contribution. It shall be used for initiatives and projects to improve parks in the Bold Forest Park including but not limited to sites such as Clock Face Country Park, Maypole Farm, Griffin Wood and the links between them.

Structure, governance and management

The directors of the charitable company (the Charity) are its trustees for the purpose of charity law. The Trustees serving during the year and since the year end were as follows:

Mr M Boyett	(Resigned 27 September 2021)
Mr Richard Smith	(Resigned 14 December 2021)
Mrs Christine Beyga	(Resigned 22 November 2021)
Mrs Alison Ball	
Mrs Alison Gilbody	
Ms Victoria Merton	
Mr Richard Rogers	(Resigned 27 September 2021)
Ms Karen Hands	
Mr William Baldwin-Cantello	
Mrs Christine Burt	
Prof David Shaw	
Prof Alan Simson	
Mr Benjamin Williams	
Ms Debbie Beaven	(Appointed 20 January 2022)

**COMMUNITY FOREST TRUST
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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Ms Joanne Harrison

(Resigned 5 April 2022)

Mr Ibrahim Zavery

(Resigned 13 September 2021)

Key Personnel

Key management personnel, in addition to the Board, are as follows:

Company Secretary: Mr S Ali

Business & Finance Manager: Mr S Ali

Interim Chief Exec: Mr I Taylor (to December 2021)

Interim Chief Exec: Mr C Vivian (from March 2022)

Structure and Governing Documents

Community Forest Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated July 1998, amended 22nd May 2013 and was incorporated on 15th July 1998. It was registered as a charity with the Charity Commission on 2nd December 1998.

Community Forest Trust's members are the trustees and the liability of the members is limited and each member agrees to pay £1 in the event that the Charity is dissolved.

Organisational Structure

Community Forest Trust is the holding company for several organisations:

The subsidiary trading company, Community Forest Trust (Trading) Limited was set up and incorporated on 29th October 2012 with an unpaid share capital allotted of £1. The holder of this share is Community Forest Trust. The Company number is 08272345. The trustees, who are also Directors for the purpose of company law who served during the year, and to date, are:

Mr P Nolan (Chair)

The primary objective of the subsidiary Community Forest Trust (Trading) Limited is to have unlimited capacity under section 31 of the Companies Act 2006. Notwithstanding the generality of this provision and for the avoidance of doubt the company's objects include carrying on business as a general commercial company to raise funds including donating with the benefit of gift aid any profits and carry out any other activities which may be considered to be for the benefit of the Charity. Community Forest Trust (Trading) Limited has remained dormant since its incorporation to date.

A second subsidiary organisation - Community Forest Land Trust was set up as a company limited by guarantee, incorporated on 29th October 2013 and was granted charitable status on 28th February 2014. Community Forest Trust is the sole member. The Company number is 08752839 and Charity number is 1155979. The trustees, who are also directors for the purpose of company law who served during the year, and to date, are:

Mr P Nolan (Chair)

Mr D McAleavy

Mr R Rogers

Prof D Shaw

Mr R Pearson (Appointed 14 October 2022)

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

The primary objective of the subsidiary charity Community Forest Land Trust as laid out in its Memorandum and Articles of Association is to promote for the benefit of the public generally any charitable purpose within the North West of England or elsewhere as the Trustees shall determine connected with the enhancement and improvement, maintenance and protection of the environment and landscape. Community Forest Land Trust Limited commenced financial activities in March 2014.

A third subsidiary organisation - Mersey Forest Foundation was set up as a company limited by guarantee, incorporated on 30th July 2014 and was granted charitable status on 9th March 2015. Community Forest Trust is the sole member. The Company number is 09153749 and the Charity number is 1160790. The trustees, who are also directors for the purpose of company law who served during the year, and to date, are:

Mr P Nolan (Chair)
Mr D McAleavy
Mr R Rogers
Prof D Shaw
Mr R Pearson (Appointed 14 October 2022)

The primary objective of the subsidiary charity Mersey Forest Trust Limited as laid out in its Memorandum and Articles of Association is to promote for the benefit of the public generally any charitable purpose within the North West of England or elsewhere as the Trustees shall determine connected with the enhancement and improvement, maintenance and protection of the environment and landscape. Mersey Forest Foundation commenced financial activities in July 2014.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Appointment of Trustees

The current trustees were appointed (and may be removed) by the Board of Community Forest Trust. There should be a minimum of five trustees and are recruited to ensure that the board of trustees has the requisite range of experience and skills to effectively manage the Trust. Induction processes include sitting on the Board for 2 meetings prior to being appointed by a majority vote. Documents are circulated to prospective trustees and their input is valued. Training is offered where required.

Organisation

The board of trustees administers the Charity and meets quarterly. Information is prepared and presented by the interim chief executive, forest director, finance manager, and several project development officers. A precis of the reports from Mersey Forest Foundation and Community Forest Land Trust are presented to the quarterly board meetings of Community Forest Trust.

Related parties and co-operation with other organisations.

Risk Management

The monitoring and management of risk is a dynamic process and the Charity faces some level of risk in the activities, events and contracts that it engages in.

The trustees have a risk management strategy which comprises:

- ongoing review of the principal risks and uncertainties that the Charity may face.
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact the Charity should those risks materialise.

Governance risks - eg inappropriate organisational structure, difficulties recruiting trustees with relevant skills, conflict of interest.

Financial risks - eg accuracy and timeliness of financial information, adequacy of reserves and cash flow, diversity of income sources.

External risks - eg public perception and adverse publicity, demographic changes, government policy.

Compliance with law and regulation - eg breach of trust law and regulatory requirements of particular activities such as fund-raising.

The Charity's review of its risk management will continue to help ensure:

- the Charity's aims are achieved more effectively;
- significant risks are known and monitored enabling trustees to make a more effective contribution;
- and there is improved forward planning.

Auditor

BWM have agreed to offer themselves for reappointment as auditors of the Charity.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

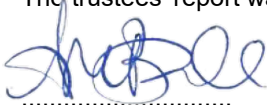
Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Small Companies Provisions

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.



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Mrs Alison Ball

Chair

Dated: 27/01/2023

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022**

The trustees, who are also the directors of Community Forest Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF COMMUNITY FOREST TRUST

Opinion

We have audited the financial statements of Community Forest Trust (the 'charity') and its subsidiaries for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the consolidated and parent balance sheet, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group of charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF COMMUNITY FOREST TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF COMMUNITY FOREST TRUST**

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Louise Casey ACA (Senior Statutory Auditor)
for and on behalf of BWM**

27/01/2023
.....

**Chartered Accountants
Statutory Auditor**

Suite 5.1
12 Tithebarn Street
Liverpool
L2 2DT

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE CONSOLIDATED INCOME AND EXPENDITURE
ACCOUNT**

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds general 2022 £	Unrestricted funds - designated 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds general 2021 £	Unrestricted funds - designated 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:									
Donations and legacies	4	175,776	-	10,000	185,776	9,181	-	88,377	97,558
Charitable activities	5	90,090	-	7,115,115	7,205,205	216	-	3,034,143	3,034,359
Investments	6	6,255	-	-	6,255	11,192	-	-	11,192
Total income		272,121	-	7,125,115	7,397,236	20,589	-	3,122,520	3,143,109
Expenditure on:									
Charitable activities	7	75,471	-	5,387,149	5,462,620	132,327	-	2,682,620	2,814,947
Net incoming resources before transfers		196,650	-	1,737,966	1,934,616	(111,738)	-	439,900	328,162
Gross transfers between funds		-	-	-	-	111,207	46,506	(157,713)	-
Net income for the year/ Net movement in funds		196,650	-	1,737,966	1,934,616	(531)	46,506	282,187	328,162
Fund balances at 1 April 2021		226,121	351,498	1,838,345	2,415,964	226,651	304,993	1,556,158	2,087,802
Fund balances at 31 March 2022		422,771	351,498	3,576,311	4,350,580	226,120	351,499	1,838,345	2,415,964

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

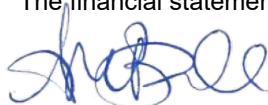
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED BALANCE SHEET**

AS AT 31 MARCH 2022

		2022		2021 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		147,975		151,171
Investments	14		200,000		200,000
			<u>347,975</u>		<u>351,171</u>
Current assets					
Debtors	18	2,471,608		638,195	
Investments	20	375,000		560,000	
Cash at bank and in hand		5,360,375		1,545,716	
		<u>8,206,983</u>		<u>2,743,911</u>	
Creditors: amounts falling due within one year	21	<u>(4,204,378)</u>		<u>(679,118)</u>	
Net current assets			4,002,605		2,064,793
Total assets less current liabilities			<u>4,350,580</u>		<u>2,415,964</u>
Income funds	25				
Restricted funds			3,576,311		1,838,345
Unrestricted funds - designated			351,498		351,499
Unrestricted funds - general			422,771		226,120
			<u>4,350,580</u>		<u>2,415,964</u>

The financial statements were approved by the Trustees on 27/01/2023.....



Mrs Alison Ball
Trustee

Company Registration No. 03598556

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
CHARITY BALANCE SHEET**

AS AT 31 MARCH 2022

		2022		2021 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		134,918		138,114
Investments	17		200,001		200,001
			<u>334,919</u>		<u>338,115</u>
Current assets					
Debtors	19	2,470,481		608,103	
Investments	20	375,000		560,000	
Cash at bank and in hand		3,345,601		1,475,737	
		<u>6,191,082</u>		<u>2,643,840</u>	
Creditors: amounts falling due within one year	22	(2,255,266)		(640,679)	
Net current assets			<u>3,935,816</u>		<u>2,003,161</u>
Total assets less current liabilities			<u><u>4,270,735</u></u>		<u><u>2,341,276</u></u>
Income funds	26				
Restricted funds			3,533,257		1,804,436
Unrestricted funds - designated			338,440		338,440
Unrestricted funds - general			399,038		198,400
			<u><u>4,270,735</u></u>		<u><u>2,341,276</u></u>

The financial statements were approved by the Trustees on 27/01/2023.....



Mrs Alison Ball
Trustee

Company Registration No. 03598556

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	30		3,624,483		634,222
Investing activities					
Purchase of tangible fixed assets		(1,076)		-	
Investment income received		6,252		11,192	
Net cash generated from investing activities			5,176		11,192
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			3,629,659		645,414
Cash and cash equivalents at beginning of year			2,305,716		1,660,302
Cash and cash equivalents at end of year			5,935,375		2,305,716
Relating to:					
Cash at bank and in hand			5,360,375		1,545,716
Short term deposits included in current asset investments			375,000		560,000
Long term deposits included in fixed asset investments			200,000		200,000

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1 Accounting policies

Charity information

Community Forest Trust is an incorporated company limited by guarantee incorporated in England and Wales. The registered office is 6 Kansas Avenue, Salford, M50 2GL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

1 Accounting policies

(continued)

Donated Services and Facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Deferred income

Income from donations and grants, including capital grants, and contract income is included in income when these are receivable except when the donor specifies that donations and grants given to the Charity must be used in future accounting periods, the income is deferred until these periods.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified as expenditure on charitable activities including grants payable and other administration costs to further the purposes of the Charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Not depreciated
Fixtures and fittings	10% - 25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are measured at transaction price excluding transaction costs.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid at the end of the year.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

1 Accounting policies

(continued)

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Taxation

Taxation and VAT

Community Forest Trust, Community Forest Land Trust and Mersey Forest Foundation are recognised as charities by HM Revenue & Customs and accordingly are potentially exempt from taxation in respect of income or gains applied exclusively to charitable purposes.

Community Forest Trust is registered for VAT and can reclaim input VAT only where the expenditure is purchases out of taxable income. The subsidiaries are not VAT registered. All irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Corporation Tax

As a registered charity, the Company benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

1 Accounting policies

(continued)

1.13 Creditors

Creditors and accruals are recognised where the Charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

1.14 Pension costs

The company operates a defined contribution scheme for all eligible employees. The pension costs charged represent the contributions payable. Differences between contributions payable in the year end contributions paid are shown as either accruals or prepayments in the balance sheet.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.16 Group Financial Statements

The financial statements consolidate the results of the Charity and its subsidiaries on a line by line basis. A separate Statement of Financial Activities, and income and expenditure account, for the Charity itself are not presented because the Charity had taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

1.17 Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work.

1.18 Prior year restatement

The prior year restatement was made following a reassessment of monies held on deposit with financial institutions. Any monies on deposit with a maturity of greater than three months are treated as current investments and any with a maturity greater than 12 months are treated as non current investments.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Legal Status

The Charity is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

4 Donations and legacies

	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £
Donations and gifts	175,776	10,000	185,776	9,181	88,377	97,558
Donations and gifts						
CFT Projects	-	-	-	-	44,550	44,550
City of Trees	-	-	-	-	43,587	43,587
Subsidiary: Mersey Forest Foundation	-	-	-	9,181	-	9,181
Mersey Forest	-	-	-	-	240	240
Stonewater	63,500	-	63,500	-	-	-
Karl Vella Group	-	10,000	10,000	-	-	-
Footasylum	40,375	-	40,375	-	-	-
Energy systems catapult	5,000	-	5,000	-	-	-
Pentland Brands	11,920	-	11,920	-	-	-
Other	54,981	-	54,981	-	-	-
	175,776	10,000	185,776	9,181	88,377	97,558

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

5 Charitable activities

	Charitable Activities 2022 £	Charitable Activities 2021 £
Other charitable income	27,289	-
Service contract income	62,801	-
CFT projects	209,523	138,521
City of Trees	2,692,896	825,209
DEFRA grants	2,933,822	1,487,181
Mersey Forest	982,635	438,817
Subsidiary - Mersey Forest Foundation	-	30,898
Subsidiary - CF Land Trust	-	216
Trees of Yorkshire	296,239	113,517
	<u>7,205,205</u>	<u>3,034,359</u>
Analysis by fund		
Unrestricted funds - general	90,090	216
Restricted funds	<u>7,115,115</u>	<u>3,034,143</u>
	<u>7,205,205</u>	<u>3,034,359</u>

6 Investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Interest receivable	<u>6,255</u>	<u>11,192</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

7 Charitable activities

	Charitable Activities 2022 £	Charitable Activities 2021 £
CFT projects	169,650	97,870
City of Trees	2,824,690	1,056,903
Mersey Forest	453,988	409,874
Mersey Forest Foundation project cost and grants payable	1,951	38,932
Other project costs	-	111,206
Community Forest Land Trust subcontractor and general costs	658	4,966
Trees of Yorkshire	155,356	111,249
	<u>3,606,293</u>	<u>1,831,000</u>
Grant funding of activities (see note 8)	1,782,608	867,302
Share of support costs (see note 9)	52,845	111,095
Share of governance costs (see note 9)	20,874	5,550
	<u>5,462,620</u>	<u>2,814,947</u>
Analysis by fund		
Unrestricted funds - general	75,471	132,327
Restricted funds	5,387,149	2,682,620
	<u>5,462,620</u>	<u>2,814,947</u>

8 Grants payable

	Charitable Activities 2022 £	Charitable Activities 2021 £
Grants to institutions:		
CFT Projects	98,457	319,118
City of Trees	208,625	338,615
Mersey Forest	346,865	183,245
Subsidiary: Mersey Forest Foundation	1,128,661	26,324
	<u>1,782,608</u>	<u>867,302</u>

-

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

9 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Depreciation	4,272	-	4,272	4,382	-	4,382
Accommodation & Administration	48,573	-	48,573	106,713	-	106,713
Audit fees	-	5,500	5,500	-	2,544	2,544
Accountancy	-	15,374	15,374	-	3,006	3,006
	<u>52,845</u>	<u>20,874</u>	<u>73,719</u>	<u>111,095</u>	<u>5,550</u>	<u>116,645</u>
Analysed between Charitable activities	<u>52,845</u>	<u>20,874</u>	<u>73,719</u>	<u>111,095</u>	<u>5,550</u>	<u>116,645</u>

Support costs include the cost of premises, management, fundraising & marketing and governance. These costs are collectively called the support costs and have been allocated as shown above.

Support costs have been allocated as a proportion of the number of financial transactions recorded in the financial year. The exception to this is that support costs for the subsidiaries have been allocated in relation to the number of hours allocated to active projects.

Governance costs relate to the direct running of the Charity allowing the Charity to operate and generate the information required for public accountability.

10 Net movement in funds

	2022 £	2021 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	5,500	5,500
Independent examiner's fees paid for work carried out in relation to subsidiaries	<u>3,900</u>	<u>3,900</u>

11 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	<u>37</u>	<u>29</u>
Employment costs	2022 £	2021 £
Wages and salaries	1,037,777	761,386
Social security costs	96,497	73,525
Other pension costs	64,028	52,940

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

11 Employees		(continued)
Salford Council personnel	60,538	41,101
	<u>1,258,840</u>	<u>803,217</u>

There were no employees whose annual remuneration was £60,000 or more (2021: None).

12 Tangible fixed assets - group	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 April 2021	139,245	24,556	163,801
Additions	-	1,076	1,076
At 31 March 2022	<u>139,245</u>	<u>25,632</u>	<u>164,877</u>
Depreciation and impairment			
At 1 April 2021	-	12,630	12,630
Depreciation charged in the year	-	4,272	4,272
At 31 March 2022	<u>-</u>	<u>16,902</u>	<u>16,902</u>
Carrying amount			
At 31 March 2022	<u>139,245</u>	<u>8,730</u>	<u>147,975</u>
At 31 March 2021	<u>139,245</u>	<u>11,926</u>	<u>151,171</u>

Middlefield Farm was acquired in 2006 for £78,079 and was revalued by P Wilson & Co Chartered Surveyors on 31 March 2007 at £91,750. The land is now called Griffin Wood.

The land at Viridor Wood was acquired in 2000, for £350,367 and revalued by P W Smith BSc FRICS FAAV on 31 March 2000 at £1,250. The land at Horrocks Hill and Hurst Farm was acquired during 2002, for £317,642, and was revalued by P Wilson & Company on 31 March 2002 at £750 and £1,100 respectively. The land at Horrocks Hill is now called Horrocks Wood. Similarly, the land at Hurst Farm is now called Hurst Wood.

999-year leases were granted to the Minister of Agriculture Fisheries and Food (acting on behalf of Forest Enterprise) over each piece of land. The leases place onerous obligations on use, consistent with the aims and objectives of the Trust.

The land at Lightshaw Meadows was purchased for £109,927 and £1,351 for the costs of purchasing the access strip to the Meadow. The majority of this land has been leased to Lancashire Wildlife Trust on a 999-year lease so has been revalued accordingly to reflect the remaining land held by CFT at the year end (£31,338).

The land owned by the subsidiary Community Forest Land Trust, was purchased in June 2014 for £13,057 and remains at cost.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

13 Tangible fixed assets - charity

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 April 2021	126,188	24,556	150,744
Additions	-	1,076	1,076
At 31 March 2022	126,188	25,632	151,820
Depreciation and impairment			
At 1 April 2021	-	12,630	12,630
Depreciation charged in the year	-	4,272	4,272
At 31 March 2022	-	16,902	16,902
Carrying amount			
At 31 March 2022	126,188	8,730	134,918
At 31 March 2021	126,188	11,926	138,114

14 Fixed asset investments - group

	Long term deposits £
Cost or valuation	
At 1 April 2021 & 31 March 2022	200,000
Carrying amount	
At 31 March 2022	200,000
At 31 March 2021	200,000

17 Fixed asset investments - charity

	Other investments £	Long term deposits £	Total £
Cost or valuation			
At 1 April 2021 & 31 March 2022	1	200,000	200,001
Carrying amount			
At 31 March 2022	1	200,000	200,001
At 31 March 2021	1	200,000	200,001

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

17 Fixed asset investments - charity **(continued)**

	Notes	2022 £	2021 £
Other investments comprise:			
Investments in subsidiaries	16	1	1

16 Subsidiaries

Details of the charity's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Community Forest Land Trust	England & Wales	To promote and support the development of community forestry and green infrastructure	Company Limited by Guarantee	100.00
Mersey Forest Foundation	England & Wales	To promote and support the Mersey Forest	Company Limited by Guarantee	100.00
Community Forest Trust (Trading) Limited	England & Wales	Dormant	Ordinary £1	100.00

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Community Forest Land Trust	(3,735)	22,940
Mersey Forest Foundation	8,892	56,906
Community Forest Trust (Trading) Limited	-	1

17 Financial instruments - group **2022**
£ **2021**
£

Carrying amount of financial assets		
Debt instruments measured at amortised cost	8,380,434	2,932,391
Carrying amount of financial liabilities		
Measured at amortised cost	1,779,008	327,312

18 Debtors - group **2022**
£ **2021**
£

Amounts falling due within one year:		
Trade debtors	2,012,288	264,951
Prepayments and accrued income	459,320	373,244
	2,471,608	638,195

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

19 Debtors - charity

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	2,012,195	264,860
Prepayments and accrued income	458,285	343,243
	<u>2,470,480</u>	<u>608,103</u>

20 Current asset investments

	2022	2021
	£	£
Unlisted investments	375,000	560,000
	<u>375,000</u>	<u>560,000</u>

21 Creditors: amounts falling due within one year - group

	2022	2021
	£	£
Other taxation and social security	62,019	28,328
Deferred income	2,363,351	323,478
Trade creditors	756,901	82,489
Other creditors	431	-
Accruals and deferred income	1,021,676	244,823
	<u>4,204,378</u>	<u>679,118</u>

22 Creditors: amounts falling due within one year - charity

	2022	2021
	£	£
Other taxation and social security	62,019	53,190
Deferred income	423,878	323,478
Trade creditors	756,901	31,303
Other creditors	431	-
Accruals	1,012,037	232,708
	<u>2,255,266</u>	<u>640,679</u>

23 Deferred income - group

Deferred income is included in the financial statements as follows:

	2022	2021
	£	£
Deferred income is included within:		
Current liabilities	2,363,351	323,478
	<u>2,363,351</u>	<u>323,478</u>

Movements in the year:

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

23	Deferred income - group	(continued)	
	Deferred income at 1 April 2021	323,478	386,406
	Released from previous periods	(7,064)	(160,005)
	Resources deferred in the year	2,046,937	97,077
		<hr/>	<hr/>
	Deferred income at 31 March 2022	2,363,351	323,478
		<hr/>	<hr/>
	Deferred income - charity		
		2022	2021
		£	£
	Deferred income is included within:		
	Current liabilities	423,878	323,478
		<hr/>	<hr/>
	Movement in the year:		
	Deferred income at 1 April 2021	323,478	386,406
	Released from previous periods	(7,064)	(160,005)
	Resources deferred in the year	107,464	97,077
		<hr/>	<hr/>
	Deferred income at 31 March 2022	423,878	323,478
		<hr/>	<hr/>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

24 Designated funds - group

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2020 £	Transfers £	Balance at 1 April 2021 £	Balance at 31 March 2022 £
Land & Property fund	139,245	-	139,245	139,245
Salary fund	38,747	4,006	42,753	42,753
Reserves policy	127,000	42,500	169,500	169,500
	<u>304,992</u>	<u>46,506</u>	<u>351,498</u>	<u>351,498</u>

Land & Property – the land that has been purchased out of grant monies has a corresponding designated fund. The total land purchased/valued comes to £139,245 so this is the same value in this designated fund. Unless more property is purchased, or existing land revalued this fund will not move in value.

Salary fund – a reserve to enable CFT as an employer to offer better terms of employment for example to give enhanced parental pay or sick pay over and above the statutory levels. To date 2 female employees from enhanced maternity pay. This fund is increased each year as a percentage of the gross salaries for the year.

Reserves policy – a fund provided in case of a future close-down of the organisation.

The fund should provide sufficient reserves to cover the potential liabilities of salary redundancies and associated costs of CFT employees based at the City of Trees offices. There is also a reserve for long term lease commitments.

Designated funds - charity

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2020 £	Transfers £	Balance at 1 April 2021 £	Balance at 31 March 2022 £
Land & Property fund	126,188	-	126,188	126,188
Salary fund	38,747	4,006	42,753	42,753
Reserves policy	127,000	42,500	169,500	169,500
	<u>291,935</u>	<u>46,506</u>	<u>338,441</u>	<u>338,441</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

24 Designated funds - group

(continued)

Land & Property – the land that has been purchased out of grant monies has a corresponding designated fund. The total land purchased/valued comes to £126,188 so this is the same value in this designated fund. Unless more property is purchased, or existing land revalued this fund will not move in value.

Salary fund – a reserve to enable CFT as an employer to offer better terms of employment for example to give enhanced parental pay or sick pay over and above the statutory levels. To date 2 female employees from enhanced maternity pay. This fund is increased each year as a percentage of the gross salaries for the year.

Reserves policy – a fund provided in case of a future close-down of the organisation. The fund should provide sufficient reserves to cover the potential liabilities of salary redundancies and associated costs of CFT employees based at the City of Trees offices. There is also a reserve for long term lease commitments.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

25 Analysis of Charitable Funds

The consolidated income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2020 £	Movement in funds		Transfers £	Balance at 1 April 2021 £	Movement in funds		Balance at 31 March 2022 £
		Incoming resources £	Resources expended £			Incoming resources £	Resources expended £	
Unrestricted fund	226,651	20,589	(132,327)	111,207	226,120	272,121	(75,470)	422,771
Designated fund	304,993	-	-	46,506	351,498	-	-	351,498
Restricted fund	1,556,158	3,122,520	(2,682,620)	(157,713)	1,838,345	7,125,115	(5,387,149)	3,576,311
	2,087,802	3,143,109	(2,814,947)	-	2,415,964	7,397,236	(5,462,619)	4,350,580

Included in the designated funds above is the revalued amount of £13,671 of land and property. The transfer of funds in the prior year between unrestricted, designated and restricted funds reflect the release of funds on the completion of projects in line with the agreement of funders and trustees' intentions for the charitable company and designated balance requirements.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

25 Analysis of Charitable Funds

(continued)

Restricted funds:

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
CFT	825,804	368,422	(527,619)	7,394	674,001	209,523	(268,107)	615,417
City of Trees	401,046	1,993,533	(1,479,840)	(152,187)	762,552	4,244,743	(3,033,315)	1,973,980
Mersey Forest	297,010	615,941	(645,875)	(12,920)	254,156	1,317,620	(800,853)	770,923
Trees for Yorkshire	-	113,726	-	-	113,726	1,343,229	(1,284,018)	172,937
Subsidiary: Mersey Forest Foundation	32,298	30,898	(29,286)	-	33,910	10,000	(856)	43,054
	1,556,158	3,122,520	(2,682,620)	(157,713)	1,838,345	7,125,115	(5,387,149)	3,576,311

City of Trees - City of Trees is delivering a green recovery and tackling the climate emergency head on, through planting trees and restoring woodlands for the people and wildlife of Greater Manchester

Mersey Forest – Growing and creating woodland across Cheshire and Mersey side and tackling climate emergency through woodland creation

Trees for Yorkshire - is the community forest for North and West Yorkshire, working in partnership with local authorities, landowners, businesses and communities to increase woodland across the region and improve our natural environment.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

26 Analysis of Charitable Funds (Charity)

The consolidated income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2020 £	Movement in funds		Transfers	Balance at 1 April 2021 £	Movement in funds		Balance at 31 March 2022 £
		Incoming resources £	Resources expended £	£		Incoming resources £	Resources expended £	
Unrestricted fund	187,417	10,983	(111,206)	111,206	198,400	268,189	(67,552)	399,037
Designated fund	291,935	-	-	46,505	338,440	-	-	338,440
Restricted fund	1,523,860	3,091,618	(2,653,331)	(157,711)	1,804,436	7,115,115	(5,386,293)	3,533,258
	2,003,212	3,102,601	(2,764,537)	-	2,341,276	7,383,304	(5,453,845)	4,270,735

Included in the designated funds above is the revalued amount of £13,671 of land and property. The transfer of funds in the prior year between unrestricted, designated and restricted funds reflect the release of funds on the completion of projects in line with the agreement of funders and trustees' intentions for the charitable company and designated balance requirements.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

26

Analysis of Charitable Funds (Charity)

Restricted funds:

	Balance at 1 April 2020 £	Movement in funds			Transfers £	Balance at 1 April 2021 £	Movement in funds			Balance at 31 March 2022 £
		Incoming resources £	Resources expended £				Incoming resources £	Resources expended £		
CFT	825,804	368,422	(527,619)		7,394	674,001	209,523	(268,107)	615,417	
City of Trees	401,046	1,993,529	(1,479,837)		(152,185)	762,553	4,244,743	(3,033,315)	1,973,981	
Mersey Forest	297,010	615,941	(645,875)		(12,920)	254,156	1,317,620	(800,853)	770,923	
Trees for Yorkshire	-	113,726	-		-	113,726	1,343,229	(1,284,018)	172,937	
CFLT										
	1,523,860	3,091,618	(2,653,331)		(157,711)	1,804,436	7,115,115	(5,386,293)	3,533,258	

(continued)

City of Trees - City of Trees is delivering a green recovery and tackling the climate emergency head on, through planting trees and restoring woodlands for the people and wildlife of Greater Manchester

Mersey Forest – Growing and creating woodland across Cheshire and Mersey side and tackling climate emergency through woodland creation

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**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

27 Analysis of net assets between funds - group

Fund balances at 31 March 2022 are represented by:

	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £
Tangible assets	8,730	139,245	-	147,975	11,926	139,245	-	151,171
Investments	200,000	-	-	200,000	200,000	-	-	200,000
Current assets/(liabilities)	214,041	212,253	3,576,311	4,002,605	14,194	212,254	1,838,345	2,064,793
	422,771	351,498	3,576,311	4,350,580	226,120	351,499	1,838,345	2,415,964

COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

28 Related party transactions

Some of the trustees have been nominated by the organisations who created and/or fund the Charity. A significant number of transactions, particularly relating to funding, are therefore related party transactions. It is not practical to list these in the notes to the financial statements.

In the current year, Community Forest Trust employed a site inspector for the Community Forest Land Trust and recharged is as a subcontracted cost for £Nil (2021: £1,054).

Key management, consisted of the 6 individuals (2021: 2 individuals) who worked the equivalent of 3 full time equivalent on the management of the Charity (2021: 0.75 FTE). The costs of the key personnel on the management of the Charity is gross £185,515 (2021: £24,857).

The Charity has taken advantage of the exemption in Financial Reporting Standard 102 Paragraph 33.1A from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared.

29 Operating lease commitments - group & charity

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	20,503	23,885
Between two and five years	21,562	91,965
	<u>42,065</u>	<u>115,850</u>

30 Cash generated from operations

	2022	2021
	£	£
Surplus for the year	1,934,616	328,162
Adjustments for:		
Investment income recognised in statement of financial activities	(6,254)	(11,192)
Depreciation and impairment of tangible fixed assets	4,272	4,381
Movements in working capital:		
(Increase)/decrease in debtors	(1,833,411)	377,231
Increase/(decrease) in creditors	1,485,387	(64,360)
Increase in deferred income	2,039,873	-
Cash generated from operations	<u><u>3,624,483</u></u>	<u><u>634,222</u></u>